

EXHIBIT B

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City Council bill aims to kneecap Uber and Lyft

Legislation would rein in app-based services with new regulations



By Matthew Flamm

Uber and Lyft, the free ride is over.

Or would be, at least, if the City Council passes a bill just hatched by the new For-Hire Vehicle Committee of the City Council.

The legislation would create a new category inside the Taxi and Limousine Commission specifically for app-based services and would hit the e-hail operators with tighter regulations and higher fees.

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Uber and Lyft have long been classified as black cars, which had traditionally been the designation for limos and cars servicing corporate accounts, and which generally face lighter regulations than taxis.

"I have seen how Uber is not regulated—that what is being demanded of other members of the industry is not demanded of Uber," said Councilman Ruben Diaz Sr., chairman of the new committee, who crafted the bill with input from Christopher Lynn, who ran the Taxi and Limousine Commission during the Giuliani administration. "The point is to make it equal and fair."

The app-based companies have come under scrutiny as their rapid growth has contributed to record levels of congestion in Manhattan while undermining the traditional hired-car industries. Taxi medallions have plummeted in value and lenders that backed them have gone into receivership. In the past few weeks there have been two highly publicized suicides by drivers who were struggling to earn a living.

While taxis are capped by the number of medallions at around 13,500, there are more than 100,000 for-hire vehicles on the road, including black cars and liveries. That is well over double the number from five years ago, and nearly 72,000 are working for app-based services.

Uber declined to comment on the bill. The company has long said that most of its cars are picking up passengers outside of congested areas, and that it has brought a needed transportation service to underserved parts of the city. A Lyft spokeswoman could not be reached.

The bill would reverse the growth of the services through a range of measures, including an annual \$2,000 fee on each vehicle.

Some measures mimic the requirements taxis face: In the past, an environmental study needed to be done before new medallions could be issued. The bill proposes that any new license for an app-based service base would also have to meet city environmental requirements—as would any license renewal.

Other measures are more drastic: Ride requests that come into a base would have to be dispatched to cars working with that base—and a base could have no more than 250 vehicles affiliated with it.

All cars would have to be attached to a single base. Currently, an e-hail driver working for Uber can respond to a dispatch from any Uber base.

That would significantly impair Uber's model, which is to have cars available everywhere.

New York Post:

A proposed City Council bill would sock Uber "bases" with a \$20,000 annual fee for a license to operate in New York City, and an additional \$2,000 per vehicle that would likely be passed on to the drivers.

It is the first bill proposed by the Committee for For-Hire Vehicles, led by Councilman Ruben Diaz Sr. (D-Bronx).

For most black-car companies, a base is a physical dispatch office. But Uber has about two dozen "bases" that exist only in cyberspace and that drivers belong to in name only.

The bill also calls for cars that are used by app-based companies to be inspected more regularly and for drivers to post a photo of their license for riders to see, just as taxi drivers must do.

"These drivers are getting away with whatever they want while other drivers are suffering," said Diaz. "Let's create the same rules that apply to everyone, because otherwise, it's not fair."

The Committee for For-Hire Vehicles first met last month in response to complaints from yellow-cab drivers who say they are losing their shirts because street hails and medallion values have dropped since Uber and Lyft came on the scene.

That meeting came a week after a broke livery driver, Douglas Schifter, killed himself at the gates of City Hall.

Schifter blamed his financial plight on the increasing number of for-hire vehicles on city streets, writing in a Facebook suicide note that it had become impossible to earn a living as a driver.

Uber officials declined to comment on the bill, saying they wanted to review it before making a statement